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178256

March 2, 2006

VIA HAND DELIVERY

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

SC PUBLIC SERVICE
COMMISSION

2006 MAR -2 PM 4:30

RECEIVED

Re: Application of Telmex USA, LLC for a Certificate of Public Convenience and Necessity for Authority to Provide Intrastate Telecommunication Services within the State of South Carolina and Request for Alternative Regulations for Its Business Service Offerings and All Calling Card Service Offerings within the State of South Carolina
Docket No. 2005-365-C

Dear Mr. Terreni:

Enclosed please find a document marked "Exhibit 1" which was intended to be attached as an exhibit to the Settlement Agreement between the Office of Regulatory Staff and Telmex USA, LLC filed on February 28, 2006.

This Exhibit is referenced as Exhibit 1 on page 4 of the Agreement. Please include this Exhibit as an attachment to the Settlement Agreement between the parties in this matter.

Please let me know if you have any questions.

Sincerely,


Jeffrey M. Nelson

JMN/pjm
Enclosures
cc: Bonnie D. Shealy, Esquire

Telmex USA, LLC Docket No. 2005-365-C
Office of Regulatory Staff: Tariff Review Page 1

Exhibit IV – Proposed Interexchange Carrier Tariff (IXC)
SC Tariff No. 1

Section 1 – Definitions And Abbreviations

Original Page 11 - Suggest adding the acronym “ORS” for the “South Carolina Office of Regulatory Staff.”

Section 2 - Rules And Regulations

2.2 – Limitations on Service

2.2.4 – Original Page 23 – “All Services provided according to this Tariff are interstate Services. International and intrastate service is available on an add-on basis.” Suggest that the Company include a statement verifying that the rates published in this tariff are the applicable intrastate rates for South Carolina.

2.3 – Limitation of Liability

2.3.1 – Original Page 24 - “Conditions under which the Company may refuse or terminate service without liability include:

- For non-payment of any sum owing to the Company in accordance with Paragraph 2.12.22”**
 - For insufficient or fraudulent billing information, invalid or unauthorized telephone numbers, or pre-arranged account code numbers;**
 - For any violation by a Customer related to the request for such service of either the provisions of this Tariff or any laws, rules, regulations, or policies;**
 - By reason of any order or decision of a court or other governmental authority which prohibits the Company from furnishing such services;**
 - If the Company deems such refusal necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, or service**
 - Failure to meet specific program provisions.**
 - Any reasonable business reason.**
 - Failure to meet the Company’s credit extension policy.**
 - The Company is selling, transferring, or ending the business.**
- Suggest that the Company eliminate the 7th Condition (highlighted) from this subsection.**

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ORS Tariff Review Page 2

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2.9.2 – Direct Billing By Company And / Or Authorized Billing Agent - Original Page 43 – “Bills are sent to the Customer’s current billing address no later than thirty (30) days following the close of billing. All bills will be in English. Call detail is available with the bill. Payment in full is due by the due date disclosed on the bill. Charges are available only in United States currency. Payment may be made by check, money order, or cashier’s check made payable as named on the bill and sent to the address as listed on the bill. If the bill is not paid within thirty (30) days from the invoice date, the Company may impose a late charge on the delinquent amount. A late charge applies to any past due balance. Pursuant to R.103-622.2, a maximum of one and one half percent (1.5%) may be added to any unpaid balance brought forward from the previous billing date to cover the cost of collection and carrying accounts in arrears. This method of late payment charge will be made in lieu of any other penalty. Billings for 900 and 900-type charges or non-regulated items are excluded from the balance on which a late fee may be imposed. The one-time charge shall apply on the undisputed amount or on the disputed amount if a dispute is resolved in favor of the Company. When another telecommunications carrier provides the billing function on behalf of the Company, the other carrier’s late payment charge applies.” **Suggest that the Company clarify the application of late payment charges, specifically in the last sentence of this subsection. The clarification issue is that only one late payment charge will apply regardless of which entity provides the billing and that the late fee is limited to the provisions of R103-622.2 of the Commission’s Rules and Regulations.**

2.10 – Disputed Charges

2.10.1 – Original Page 44 – “The Company will not be required to consider any Customer claim for damages or statutory penalties, or adjustments, refunds, credits or cancellation of charges, unless the Customer has notified the Company, in writing, of any dispute concerning charges, or the basis of any claim for damages, within sixty (60) calendar days after an invoice is rendered or a debit is effected by the Company for the call giving rise to such dispute or claim. Suggest revising the highlighted portion of language in this subsection to state: “All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing or orally within the applicable statute of limitations. No credits, refunds or adjustments shall be granted if demand therefore is not received within such limitation period.”

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2.10.2 – Original Page 44 – “Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer’s claim or demand. Such notice must be sent to the Company’s Customer Service Department as per Section 2.8 of this Tariff. If the Customer is not satisfied with the Company’s resolution of a billing inquiry, the Customer may make an application to the Commission for review and disposition of the matter.”

Suggest revising the language in subsection 2.10.2 to state the following: “In the event a customer and the Company cannot resolve a complaint or billing dispute to their mutual satisfaction, the Customer may contact the Consumer Services Department of the ORS for assistance. The contact information for such is listed below:”

Office of Regulatory Staff
State of South Carolina
Consumer Services Department
P.O. Box 11263
Columbia, SC 29211
Telephone Number -803-737-5230
Toll Free Number – 1-800-922-1531
Fax Number – 803-737-4750

2.11 – Cancellation of Service By Customer

2.11.1 – General – Original Page 45 – “Except for Prepaid Calling Card Service and unless the Customer has signed a term plan agreement, the Company may require the Customer to give thirty (30) days written or oral notice to the Company. Notice should be addressed to the Company’s Customer Service Department. Cancellation of the Customer’s Service will be effective when the Customer’s account status is changed to inactive in the appropriate data base (s). Suggest that the Company remove the thirty day notification requirement in order to cancel service. Requiring a thirty day to discontinue service potentially impedes competition.

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2.13 – Taxes – Original Page 47 – “In addition to the charges specifically pertaining to the Company’s services, certain federal, state and local surcharges, taxes and fees will be applied. These taxes, surcharges and fees are calculated based upon the amount billed to the end user for the Company’s intrastate services. All federal, state and local taxes, surcharges and fees (i.e., sales tax, gross receipts tax, and municipal utilities tax) are listed as separate line items and are not included in the quoted rates. For Prepaid Calling Card Service, the per minute rate shown in Section 4 of this Tariff is inclusive of all surcharges, taxes, and fees except for Point-of-Sale (“sales”) taxes except for Program 20 prepaid card. Federal taxes and surcharges are not included in the rates for the Program 20 prepaid card set forth in Section 4. **Suggest deleting the term “gross receipts.” Assessments levied against utility companies for funding regulation, such as gross receipts, are not an allowable line item pass-through to consumers in South Carolina.**

2.25 – Special Service Arrangements – Original Page 54 – “Customer-specific service arrangements, which may include engineering, installation, construction, facilities, assembly, and/or other special Services, may be furnished in addition to existing Tariff offerings. Rates, terms and conditions plus any additional regulations, if applicable, for the special service arrangements will be developed upon Customer’s request. Unless otherwise specified, the regulations for the special service arrangements are in addition to the applicable regulations specified in other sections of this Tariff. **Suggest that the Company include additional language to this subsection to state: “These arrangements will be made available to the PSC and/or ORS upon request.”**

2.31 – Toll Free Service

2.31.1 (C) – General – Original Page 56 – “If a Customer accumulates past-due charges, the Company reserves the right not to honor the Customer’s request for a change in TFS to another carrier (e.g. porting of the Toll Free Number), including a request for a Responsible Organization (Resp. Org.) change, until such time as all charges are paid in full and all disputes, if any, resolved. **Suggest removing this language from the tariff. Delinquent payment of charges by the Customer does not allow a Company to block the porting of a Toll Free Number.**

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2.34 – Promotional Offerings – Original Page 63 – “The Company will, from time to time, offer one or more of the following promotions to its Customers waiving or reducing certain rates, charges, fees, or penalties in response to media advertising, direct mail solicitation, telemarketing and/or direct sales presentations. These promotional offerings will be available to Customers who subscribe to one of the Services contained in this Tariff. The promotional offerings may contain a requirement that the Customer remain subscribed to a particular Service for a specified term. **Suggest adding additional language to this subsection stating: “All promotions will be filed with the PSC and ORS with an informational letter. Promotions will not be published in the Company’s tariff.”**

Section 4 – Maximum Rates And Charges

4.1 - Prepaid Calling Card Services – Original Page 67 – **The Company has various Prepaid Card offerings displayed on Page 67 (Maximum Rates) and Page 68 (Price List) of the Tariff. Suggest that the Company take the following action in regard to the Prepaid Card offerings: (1) Remove the maximum rate schedule shown on Page 67 and only publish a Price List (Page 68) as the Company has requested Alternative Regulations in its application. Calling Card Services and Prepaid Card Services are treated as alternative regulation offerings. (2) Provide service descriptions of the various offerings. The Company has three rate offerings identified as Program 4 and two rate offerings identified as Program 5. This appears to be quite confusing. (3) Company should agree to post a \$5,000 bond or certificate of deposit consistent with the Commission’s requirements for prepaid or debit calling card services.**

4.2 – Payphone Surcharge – Original Page 67 - “Pursuant to the FCC’s Order in Docket 96-128, this surcharge applies only to dial-around calls, i.e., calls originating using a carrier’s access code, a Customer’s 800 and other toll-free numbers, calling card calls, and prepaid card calls, from payphone instruments. This surcharge does not apply for calls for which the payphone provider would otherwise receive compensation. The Customer shall pay the Company a per call surcharge of \$2.00 for all such calls. **Suggest that the Company remove this subsection from the tariff. A maximum rate is not applicable to this surcharge since it is governed by FCC Order.**

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Price List –Original Page 68

1.1 –Prepaid Calling Card Services – All applicable information pertaining to this subsection was addressed in subsection 4.1 under the Maximum Rates and Charges.

1.2 - Payphone Surcharge – Original Page 68 - “Pursuant to the FCC’s Order in Docket 96-128, this surcharge applies only to dial-around calls, i.e., calls originating using a carrier’s access code, a Customer’s 800 and other toll-free numbers, calling card calls, and prepaid card calls, from payphone instruments. This surcharge does not apply for calls for which the payphone provider would otherwise receive compensation. The Customer shall pay the Company a per call surcharge of \$0.89 for all such calls. Suggest modifying the Payphone Compensation Surcharge amount to a level no higher than \$.50 per call. The basis for this level is WC Docket No. 03-225/FCC Order No. 04-182 adopted July 27, 2004, released August 12, 2004. The \$0.50 surcharge rate is consistent with all of the other certified carriers in South Carolina.